

HOUSE BILL REPORT

SHB 2567

As Passed House:
February 17, 2014

Title: An act relating to the approval of minutes from annual meetings of homeowners' associations.

Brief Description: Concerning the approval of minutes from meetings of homeowners' associations.

Sponsors: House Committee on Judiciary (originally sponsored by Representatives Zeiger, Morrell, Rodne and Jinkins).

Brief History:

Committee Activity:

Judiciary: 1/30/14, 2/5/14 [DPS].

Floor Activity:

Passed House: 2/17/14, 97-0.

Brief Summary of Substitute Bill

- Requires a homeowners' association (HOA) to make minutes available for examination and copying not more than 60 days after the meeting.
- Provides that minutes must be approved at the next meeting in accordance with the HOA's governing documents.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Jinkins, Chair; Hansen, Vice Chair; Rodne, Ranking Minority Member; Nealey, Assistant Ranking Minority Member; Goodman, Haler, Kirby, Klippert, Muri, Orwall, Roberts, Shea and Walkinshaw.

Staff: Cece Clynch (786-7195).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A homeowners' association (HOA) is a legal entity with membership comprised of the owners of residential real property located within a development or other specified area. An HOA typically arises from restrictive covenants recorded by a developer against property in a subdivision. In general, the purpose of an HOA is to manage and maintain common areas and structures, review designs, and maintain architectural control.

A board of directors, elected by the members, manages the HOA. An annual meeting must be held each year, and special meetings may be called.

Summary of Substitute Bill:

A HOA must make meeting minutes available to owners of record for examination and copying not more than 60 days after a meeting. Minutes of the previous HOA meeting must be approved at the next meeting in accordance with the HOA's governing documents.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The frustration voiced by an owner within a HOA led to this bill. Every year, this HOA holds its annual meeting in the first quarter of the year but the minutes are not presented until the next annual meeting a whole year later. By then, memories of what transpired may not be clear. The bill provides a simple fix by requiring that the minutes be made available within 60 days after the meeting. It is incumbent on the owners to seek out and submit comments. There has been work done to address the concerns that the Washington State Bar Association and the HOAs had with the original bill.

(Opposed) None.

Persons Testifying: Representative Zeiger, prime sponsor, and Kathryn Leathers, Washington State Bar Association.

Persons Signed In To Testify But Not Testifying: None.